

**FIRE PROTECTION DISTRICT NO. 4
OF ALLEN PARISH**

**ANNUAL FINANCIAL STATEMENTS AND
INDEPENDENT ACCOUNTANTS' REVIEW REPORT**

Year Ended December 31, 2010

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 8/10/11

ROYCE T. SCIMEMI, CPA, APAC
Oberlin, LA

**FIRE PROTECTION DISTRICT NO. 4 OF ALLEN PARISH
ANNUAL FINANCIAL STATEMENTS
AND INDEPENDENT ACCOUNTANTS' REPORT
Year Ended December 31, 2010**

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FIRE PROTECTION DISTRICT NO. 4 OF ALLEN PARISH

Management's Discussion and Analysis

Within this section of the Fire Protection District No. 4 of Allen Parish (District) annual financial report, the District's management is pleased to provide this narrative discussion and analysis of the financial activities of the District for the fiscal year ended December 31, 2010. The District's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section.

Financial Highlights

- The District's assets exceeded its liabilities by \$2,070,808 (net assets) for the 2010 fiscal year, compared with \$1,969,152 in net assets for the 2009 fiscal year.
- In 2010, total revenues of \$406,011 exceeded total expenses of \$304,355, resulting in a current year surplus \$101,656. For the fiscal year 2009, total revenues of \$383,321 exceeded total expenses of \$294,334, yielding a surplus for that year of \$88,987.
- As of December 31, 2010, total net assets are comprised of the following:
 - (1) Capital assets of \$701,481 include property and equipment, net of accumulated depreciation, and are reduced for outstanding debt, if any, related to the purchase of capital assets.
 - (2) Restricted net assets of \$391,983 include funds for debt service and capital projects.
 - (3) Unrestricted net assets of \$977,344.

Comparatively, as of December 31, 2009, total net assets are comprised of the following:

- (1) Capital assets of \$834,979 include property and equipment, net of accumulated depreciation, and are reduced for outstanding debt, if any, related to the purchase of capital assets.
 - (2) Restricted net assets of \$257,420 include funds for debt service.
 - (3) Unrestricted net assets of \$876,753.
- At the end of the 2010 fiscal year, unreserved fund balance for the General Fund was \$977,344, or 885% of total General Fund expenditures and 532% of total General Fund revenues. Comparatively, at December 31, 2009, unreserved fund balance for the General Fund was \$876,753, or 608% of total General Fund expenditures and 389% of total General Fund revenues.
 - Overall, the District continues to maintain a solid financial position and is continuing to work to improve on this financial position.

The above financial highlights are explained in more detail in the "financial analysis" section of this document.

Overview of the Financial Statements

This Management's Discussion and Analysis document introduces the District's basic financial statements. The basic financial statements include: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the basic financial statements. The District also includes in this report additional information to supplement the basic financial statements.

Government-wide Financial Statements

The District's annual report includes two government-wide financial statements. These statements provide both long-term and short-term information about the District's overall financial status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in accrual accounting and elimination or reclassification of activities between funds.

FIRE PROTECTION DISTRICT NO. 4 OF ALLEN PARISH

Management's Discussion and Analysis (Continued)

The first of these government-wide financial statements is the *Statement of Net Assets*. This is the government-wide statement of financial position presenting information that includes all of the District's assets and liabilities, with the difference reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the District as a whole is improving or deteriorating. Evaluation of the overall health of the District would extend to other nonfinancial factors such as diversification of the taxpayer base in addition to the financial information provided in this report.

The second government-wide financial statement is the *Statement of Activities*, which reports how the District's net assets changed during the current fiscal year. All current year revenues and expenses are included regardless of when cash is received or paid. An important purpose of the design of the statement of activities is to show the financial reliance of the District's distinct activities or functions on revenues provided.

The government-wide financial statements are presented on pages 11 and 12 of this report.

Fund Financial Statements

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The District uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the District's most significant funds rather than the District as a whole. Major funds are separately reported while all others are combined into a single, aggregated presentation.

The District uses governmental funds as follows:

Governmental funds are reported in the fund financial statements and encompass the same function reported as governmental activities in the government-wide financial statements. However, the focus is very different with fund statements providing a distinctive view of the District's governmental funds, including object classifications. These statements report short-term fiscal accountability focusing on the use of spendable resources and balances of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the near-term.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. Both the governmental fund balance sheet and the governmental fund operating statement provide a reconciliation to assist in understanding the differences between these two perspectives.

The basic governmental fund financial statements are presented on pages 15 through 18 of this report.

Notes to the financial statements

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements begin on page 19 of this report.

Other information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's budget presentations. Budgetary comparison statements are included as "required supplementary information" for the General Fund. These schedules demonstrate compliance with the District's adopted and final revised budget. Required supplementary information can be found on pages 28 through 29 of this report.

FIRE PROTECTION DISTRICT NO. 4 OF ALLEN PARISH

Management's Discussion and Analysis (Continued)

Financial Analysis of the District as a Whole

The District's net assets at December 31, 2010 are \$2,070,808 as compared with its net assets as of December 31, 2009 of \$1,969,152. The following table provides a summary of the District's net assets:

	<u>2009</u>		<u>2010</u>	
Assets:				
Current assets	\$ 1,143,873	42%	\$ 1,383,422	49%
Capital assets	<u>1,609,279</u>	<u>58</u>	<u>1,459,700</u>	<u>51</u>
Total assets	<u>2,753,152</u>	<u>100%</u>	<u>2,843,122</u>	<u>100%</u>
Liabilities:				
Current liabilities	42,856	5%	46,706	6%
Long-term liabilities	<u>741,144</u>	<u>95</u>	<u>725,608</u>	<u>94</u>
Total liabilities	<u>784,000</u>	<u>100%</u>	<u>772,314</u>	<u>100%</u>
Net assets:				
Investment in capital assets, net of debt	834,979	42%	701,481	34%
Restricted	257,420	13	391,983	19
Unrestricted	<u>876,753</u>	<u>45</u>	<u>977,344</u>	<u>47</u>
Total net assets	<u>\$ 1,969,152</u>	<u>100%</u>	<u>\$ 2,070,808</u>	<u>100%</u>

The District continues to maintain a high current ratio. The current ratio compares current assets to current liabilities and is an indication of the ability to pay current obligations. The current ratio is 29.62 to 1.

Note that approximately 34% of the governmental activities' net assets are tied up in capital assets as of December 31, 2010. This compares with 42% as of December 31, 2009. The District uses these capital assets to provide services to its taxpayers.

Overall, the District reports net assets of \$2,070,808 as of December 31 2010, as compared with \$1,969,152 in net assets as of December 31, 2009. This amounts to increases in net assets of \$101,656 in 2010 and \$88,987 in 2009. The District's overall financial position improved during fiscal year 2010.

FIRE PROTECTION DISTRICT NO. 4 OF ALLEN PARISH

Management's Discussion and Analysis (Continued)

The following table provides a summary of the District's changes in net assets:

	<u>2009</u>		<u>2010</u>	
Revenues:				
Program:				
Operating grants and contributions	\$ 74,683	19%	\$ 39,486	10%
General:				
Ad valorem taxes	293,643	77	358,553	88
Interest	3,429	1	2,440	1
Miscellaneous	<u>11,566</u>	<u>3</u>	<u>5,532</u>	<u>1</u>
Total revenues	<u>383,321</u>	<u>100%</u>	<u>406,011</u>	<u>100%</u>
Expenses:				
Program expenses:				
Fire fighting and rescue	278,211	95%	270,208	89%
Interest on long-term debt	<u>16,123</u>	<u>5</u>	<u>34,147</u>	<u>11</u>
Total expenses	<u>294,334</u>	<u>100%</u>	<u>304,355</u>	<u>100%</u>
Change in net assets	88,987		101,656	
Beginning net assets	<u>1,880,165</u>		<u>1,969,152</u>	
Ending net assets	<u>\$ 1,969,152</u>		<u>\$ 2,070,808</u>	

Governmental Revenues

The District is heavily reliant on property taxes to support its operations. Property taxes provided 88% of the District's revenues.

Governmental Functional Expenses

The total function of the District is fire fighting and rescue. The only non-functional cost is interest expense related to the outstanding general obligation bonds. Of the total cost, depreciation on the property and equipment was \$180,042 for 2010 or 59% of total expenses. Similarly, depreciation amounted to \$139,064 for 2009 or 47% of total expenses in 2009.

Major Governmental Funds

The General Fund is the District's primary operating fund and the largest source of day-to-day service delivery. The General Fund's fund balance increased by \$100,591 in 2010 and by \$68,507 in 2009. In fiscal year 2010 revenues decreased 19% from 2009 primarily due to decreased grant income. Operating expenditures decreased by \$33,711 in 2010, after increasing by \$13,688 in 2009.

The Debt Service Fund accumulates resources for the payment of long-term debt. The fund balance in the Debt Service Fund increased by \$139,807 in 2010 after decreasing by \$289,522 in 2009. The large decrease in 2009 was primarily due to the normal retirement of \$75,000 and the defeasance of \$355,000 in bonds in 2009.

The capital projects fund accumulates resources for the acquisition of capital assets. The fund balance in the capital projects fund decreased by \$1,564 in 2010.

FIRE PROTECTION DISTRICT NO. 4 OF ALLEN PARISH

Management's Discussion and Analysis (Continued)

Budgetary Highlights

The General Fund – When the original/final 2010 budget was adopted, it was anticipated that the total revenues were going to be less than the previous fiscal year primarily because intergovernmental revenues were expected to decrease by \$69,183. The original/final budget reflected an increase in total expenditures of \$4,536 from the previous fiscal year mainly due to an anticipated increase in insurance expenditures. The budget was not amended.

Capital Assets and Debt Administration

Capital assets

The District's investment in capital assets, net of accumulated depreciation, was \$1,459,700 as of December 31, 2010, as compared with \$1,609,279 as of the previous year-end. See Note D for additional information about changes in capital assets during the fiscal year and the balance at the end of the year. The following table provides a summary of capital asset activity.

	December 31	
	2009	2010
Nondepreciable assets-land	\$ 16,100	\$ 16,100
Depreciable assets:		
Buildings	439,788	439,788
Equipment	438,643	469,106
Vehicles	<u>1,926,363</u>	<u>1,926,363</u>
Total depreciable assets	2,804,794	2,835,257
Less accumulated depreciation	<u>1,211,615</u>	<u>1,391,657</u>
Book value-depreciable assets	\$ <u>1,593,179</u>	\$ <u>1,443,600</u>
Percentage depreciated	43%	49%
Book value-all assets	\$ <u>1,609,279</u>	\$ <u>1,459,700</u>

Long-term debt

At the end of the 2010 fiscal year, the District had total general obligation bonds outstanding of \$758,220, compared with \$774,300 outstanding as of December 31, 2009. The total amount of these obligations is secured by debt service fund revenue. During 2010, the District issued \$90,700 in general obligation bonds for the purchase of fire fighting equipment. During each of the years 2010 and 2009, the District retired or refunded \$106,780 and \$430,000, respectively of the outstanding principal balance. See Note E for additional information regarding long-term debt.

Contacting the District's Financial Management

This financial report is designed to provide a general overview of the District's finances, comply with finance-related laws and regulations, and demonstrate the District's commitment to public accountability. If you have any questions about this report or would like to request additional information, contact the Treasurer, Orville Augustine, at (337) 738-2233.

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INDEPENDENT ACCOUNTANTS' REVIEW REPORT

June 23, 2011

**Board of Commissioners
Fire Protection District No. 4 of Allen Parish
Kinder, Louisiana**

We have reviewed the accompanying financial statements of the governmental activities and each major fund of Fire Protection District No. 4 of Allen Parish (District), a component unit of the Allen Parish Police Jury, as of and for the year ended December 31, 2010, which collectively comprise the District's basic financial statements as listed in the table of contents. A review includes primarily applying analytical procedures to management's financial data and making inquiries of the management of the District. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

The management of the District is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the review in accordance with *Statements on Standards for Accounting and Review Services* issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis (pages 3-7), budgetary comparison schedule (page 28), and schedule of compensation paid to board members (page 29) are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. Such information has not been subjected to the inquiry and analytical procedures applied in the review of the basic financial statements, but was compiled from information that is the representation of management, without audit or review. Accordingly, we do not express an opinion or any other form of assurance on the supplementary information.

In accordance with the *Louisiana Governmental Audit Guide* and provisions of state law, I have issued a report dated June 23, 2011, on the results of certain agreed-upon procedures that I performed.

Royce T. Scimemi, CPA, APAC

Royce T. Scimemi, CPA, APAC

BASIC FINANCIAL STATEMENTS

**GOVERNMENT-WIDE
FINANCIAL STATEMENTS (GWFS)**

FIRE PROTECTION DISTRICT NO. 4 OF ALLEN PARISH

Statement of Net Assets

December 31, 2010

	<u>Governmental Activities</u>
ASSETS	
Cash	\$ 908,977
Investments	91,680
Receivables:	
Ad valorem taxes receivable	363,448
Accrued interest receivable	259
Intergovernmental receivable	19,058
Capital assets:	
Land	16,100
Capital assets, net	<u>1,443,600</u>
Total assets	<u>\$ 2,843,122</u>
LIABILITIES	
Current liabilities:	
Accounts payable	\$ 3,179
Payroll taxes payable	192
Accrued interest payable	10,724
Long-term liabilities:	
Due within one year	32,611
Due after one year	<u>725,608</u>
Total liabilities	<u>772,314</u>
NET ASSETS	
Invested in capital assets, net of related debt	701,481
Restricted	391,983
Unrestricted	<u>977,344</u>
Total net assets	<u>\$ 2,070,808</u>

See accompanying notes and independent accountants' review report.

FIRE PROTECTION DISTRICT NO. 4 OF ALLEN PARISH

Statement of Activities

Year Ended December 31, 2010

Activities	Expenses	Direct	Program Revenues		Net (Expense) Revenues and Changes in Net Assets Governmental Activities
			Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
Fire fighting and rescue	\$270,208	\$ -	\$ 39,486	\$ -	\$ (230,722)
Interest on long-term debt	<u>34,147</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(34,147)</u>
Total	<u>\$304,355</u>	<u>\$ -</u>	<u>\$ 39,486</u>	<u>\$ -</u>	<u>(264,869)</u>
General revenues:					
Ad valorem taxes					358,553
Interest earnings					2,440
Miscellaneous					<u>5,532</u>
Total general revenues					<u>366,525</u>
Change in net assets					101,656
Net assets-December 31, 2009					<u>1,969,152</u>
Net assets-December 31, 2010					<u>\$ 2,070,808</u>

See accompanying notes and independent accountants' review report.

FUND FINANCIAL STATEMENTS (FFS)

FIRE PROTECTION DISTRICT NO. 4 OF ALLEN PARISH

Major Fund Descriptions

General Fund

To account for resources traditionally associated with governments that are not required to be accounted for in another fund.

Debt Service Fund

To account for the accumulation of resources for and the payment of long-term debt.

Capital Projects Fund

To account for financial resources to be used for the acquisition of fire-fighting equipment.

FIRE PROTECTION DISTRICT NO. 4 OF ALLEN PARISH

Balance Sheet – Governmental Funds

December 31, 2010

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	<u>Total</u>
ASSETS				
Cash	\$ 731,109	\$ 177,868	\$ -	\$ 908,977
Investments	91,680	-	-	91,680
Receivables				
Accrued interest	259	-	-	259
Ad valorem taxes, net	139,036	224,412	-	363,448
Intergovernmental	19,058	-	-	19,058
Due from other fund	<u>-</u>	<u>435</u>	<u>-</u>	<u>435</u>
TOTAL ASSETS	\$ <u>981,142</u>	\$ <u>402,715</u>	\$ <u>-</u>	\$ <u>1,383,857</u>
LIABILITIES AND FUND EQUITY				
LIABILITIES				
Accounts payable	\$ 3,171	\$ -	\$ 8	\$ 3,179
Payroll taxes payable	192	-	-	192
Due to other fund	<u>435</u>	<u>-</u>	<u>-</u>	<u>435</u>
TOTAL LIABILITIES	<u>3,798</u>	<u>-</u>	<u>8</u>	<u>3,806</u>
FUND EQUITY				
Fund balances				
Reserved for debt service	-	402,715	-	402,715
Reserved for capital projects	-	-	(8)	(8)
Unreserved and undesignated	<u>977,344</u>	<u>-</u>	<u>-</u>	<u>977,344</u>
TOTAL FUND EQUITY	<u>977,344</u>	<u>402,715</u>	<u>(8)</u>	<u>1,380,051</u>
TOTAL LIABILITIES AND FUND EQUITY	\$ <u>981,142</u>	\$ <u>402,715</u>	\$ <u>-</u>	\$ <u>1,383,857</u>

See accompanying notes and independent accountants' review report.

FIRE PROTECTION DISTRICT NO. 4 OF ALLEN PARISH

Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Assets

December 31, 2010

Total fund balances for governmental funds at December 31, 2010 \$ 1,380,051

Total net assets reported for governmental activities in the statement of net assets is different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of:

Land	\$ 16,100	
Buildings, net of \$242,140 accumulated depreciation	197,648	
Equipment, net of \$319,441 accumulated depreciation	149,665	
Vehicles, net of \$830,076 accumulated depreciation	<u>1,096,287</u>	1,459,700

Long-term liabilities including bonds payable and accrued interest thereon are not due and payable in the current period and therefore are not reported in the governmental fund financial statements:

Long-term liabilities at December 31, 2010:

General obligations bond payable	\$ (758,219)	
Accrued interest payable	<u>(10,724)</u>	<u>(768,943)</u>

Total net assets of governmental activities at December 31, 2010 \$ 2,070,808

See accompanying notes and independent accountants' review report.

FIRE PROTECTION DISTRICT NO. 4 OF ALLEN PARISH

Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds

Year Ended December 31, 2010

	General Fund	Debt Service Fund	Capital Projects Fund	Total
REVENUES				
Ad valorem taxes, net	\$ 136,725	\$ 221,828	\$ -	358,553
Interest	1,933	507	-	2,440
Intergovernmental	39,486	-	-	39,486
Miscellaneous	5,532	-	-	5,532
TOTAL REVENUES	<u>183,676</u>	<u>222,335</u>	<u>-</u>	<u>406,011</u>
EXPENDITURES				
Current				
Advertising	250	-	-	250
Board compensation	1,650	-	-	1,650
Dues	307	-	-	307
Fuel	6,422	-	-	6,422
Insurance	36,892	-	-	36,892
Miscellaneous	2,018	-	8	2,026
Payroll taxes	348	-	-	348
Professional fees	7,981	-	-	7,981
Repairs & maintenance	19,190	-	-	19,190
Salaries	4,500	-	-	4,500
Secretary fees	900	-	-	900
Training	1,830	-	-	1,830
Utilities	7,871	-	-	7,871
Capital outlay	20,294	-	10,169	30,463
Debt service				
Principal	-	35,316	71,464	106,780
Interest	-	30,467	-	30,467
TOTAL EXPENDITURES	<u>110,453</u>	<u>65,783</u>	<u>81,641</u>	<u>257,877</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	73,223	156,552	(81,641)	148,134
OTHER FINANCING SOURCES (USES)				
Operating transfers	27,368	(16,745)	(10,623)	-
Bond proceeds	-	-	90,700	90,700
TOTAL OTHER FINANCING SOURCES (USES)	<u>27,368</u>	<u>(16,745)</u>	<u>80,077</u>	<u>90,700</u>
NET CHANGES IN FUND BALANCES	100,591	139,807	(1,564)	238,834
FUND BALANCE – BEGINNING	<u>876,753</u>	<u>262,908</u>	<u>1,556</u>	<u>1,141,217</u>
FUND BALANCE – ENDING	<u>\$ 977,344</u>	<u>\$ 402,715</u>	<u>\$ (8)</u>	<u>\$ 1,380,051</u>

See accompanying notes and independent accountants' review report.

FIRE PROTECTION DISTRICT NO. 4 OF ALLEN PARISH

Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds to the
Statement of Activities

Year Ended December 31, 2010

Total net changes in fund balances at December 31, 2010 per statement of revenues, expenditures and changes in fund balances		\$ 238,834
<i>The change in net assets reported for governmental activities in the statement of activities is different because:</i>		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Capital outlays which are considered expenditures on statement of revenues, expenditures and changes in fund balances	\$ 30,463	
Depreciation expense for the year ended December 31, 2010	<u>(180,042)</u>	(149,579)
Governmental funds report bond debt repayments as expenditures. However, these expenditures do not appear in the statement of activities since the payments are applied against the bond payable on the statement of net assets		
		106,781
Governmental funds report bond proceeds as revenues. However, this revenue does not appear in the statement of activities since the debt is reported on the statement of net assets		
		(90,700)
Difference between interest on long-term debt on modified accrual basis versus interest on long-term debt on accrual basis		
		<u>(3,680)</u>
Total changes in net assets at December 31, 2010 per statement of activities		\$ <u>101,656</u>

See accompanying notes and independent accountants' review report.

FIRE PROTECTION DISTRICT NO. 4 OF ALLEN PARISH

Notes to the Financial Statements

December 31, 2010

INTRODUCTION

Fire Protection District No. 4 of Allen Parish was created under the provisions of Louisiana Revised Statutes 40:1491-1509, for the purpose of providing fire protection for the citizens of District 4 of Allen Parish. The district is governed by a board of commissioners composed of five members appointed by the Allen Parish Police Jury.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying basic financial statements of Fire Protection District No. 4 of Allen Parish have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

1. Financial Reporting Entity

As the governing authority of the parish, for reporting purposes, the Allen Parish Police Jury is the financial reporting entity for Allen Parish. The financial reporting entity consists of (a) the primary government (police jury), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

GASB Statement No. 14 established criteria for determining which component units should be considered part of the Allen Parish Police Jury for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. These criteria include:

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the police jury to impose its will on that organization, and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the police jury.
2. Organizations for which the police jury does not appoint a voting majority but are fiscally dependent on the police jury.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Because the police jury appoints all members to the governing body and has the ability to impose its will on the District, the District was determined to be a component unit of the Allen Parish Police Jury, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the District and do not present information on the police jury, the general government

FIRE PROTECTION DISTRICT NO. 4 OF ALLEN PARISH

Notes to the Financial Statements-Continued

December 31, 2010

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

services provided by the governmental unit, or the other governmental units that comprise the financial reporting entity.

2. Basis of Presentation

The accompanying basic financial statements of the District have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB 34, "Basic Financial Statements and Management's Discussion and Analysis-For State and Local Governments", issued in June 1999.

Government-Wide Financial Statements (GWFS)

The statement of net assets and the statement of activities display information about the District as a whole. These statements include all the financial activities of the District's office except for fiduciary-agency funds. Information contained in these statements reflects the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchanges occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, "Accounting and Financial Reporting for Nonexchange Transactions."

The statement of activities presents a comparison between direct expenses and program revenues for each of the functions of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Revenues that are not classified as program revenues are presented as general revenues.

Fund Financial Statements (FFS)

The District uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain District functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts. The various funds of the District are classified into two categories: governmental and fiduciary. The emphasis on fund financial statements is on major funds, each displayed in a separate column. A fund is considered major if it is the primary operating fund of the District or its total assets, liabilities, revenues or expenditures are at least 10% of the corresponding total for all governmental funds. The major funds of the District are described below:

Governmental Fund Types:

General Fund –

The General Fund is the general operating fund of the District. All financial resources, except those required to be accounted for in another fund, are accounted for in the General Fund.

FIRE PROTECTION DISTRICT NO. 4 OF ALLEN PARISH

Notes to the Financial Statements-Continued

December 31, 2010

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Debt Service Fund –

The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs.

Capital Projects Fund -

The Capital Projects Fund is used to account for financial resources to be used for the acquisition of capital assets.

3. Measurement Focus/Basis of Accounting

The amounts reflected in the governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balance reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach is then reconciled, through adjustment, to a government-wide view of District operations. Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The amounts reflected in the governmental funds use the modified accrual basis of accounting. Revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The district considers all revenues available if they are collected within 60 days after the fiscal year end. Expenditures are recorded when the related fund liability is incurred, except for the interest and principal payments on long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. The governmental funds use the following practices in recording revenues and expenditures:

Revenues

Ad valorem taxes are recorded in the year taxes are due and payable. Ad valorem taxes are assessed on a calendar year basis, become due on November 15 of each year, and become delinquent after December 31. The taxes are generally collected in December, January, and February of the fiscal year. The government considers property taxes as available if they are collected within 60 days after year-end. Property taxes not paid by the end of February are subject to lien. A one-year availability period is used for revenue recognition for all other governmental fund revenues.

Those revenues susceptible to accrual are property taxes, intergovernmental grants, and interest.

FIRE PROTECTION DISTRICT NO. 4 OF ALLEN PARISH

Notes to the Financial Statements-Continued

December 31, 2010

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Expenditures

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as fund liabilities when due or when amounts have been accumulated in the debt service fund for payments to be made early in the following year. Capital expenditures are regarded as expenditures at the time purchased.

4. Cash and Cash Equivalents

Cash includes amounts in demand deposits and time deposits with original maturities of 90 days or less. Under state law, the District may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

5. Bad Debts

Uncollectible amounts due for receivables are recognized as bad debts by the direct write-off method at the time information becomes available which would indicate the uncollectibility of the particular receivable. Although the specific charge-off method is not in conformity with generally accepted accounting principles (GAAP), no allowance for uncollectible accounts receivable is made due to immateriality at December 31, 2010.

6. Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of moneys are recorded in order to reserve that portion of applicable appropriation is not employed by the District as an extension of formal budgetary integration in the funds.

7. Budget

A general fund budget is adopted on a basis consistent with accounting principles generally accepted in the United States of America. On or before the last meeting of each year, the budget is prepared by function and activity, based on information from the past year and current year estimates for the next fiscal year. The proposed budget is presented to the District's Board of Commissioners for review. The board holds a public hearing. Any changes in the budget must be within the revenues and reserves estimated. The final budget for 2010 consists of the original budget adopted November 18, 2009, which was not amended.

FIRE PROTECTION DISTRICT NO. 4 OF ALLEN PARISH

Notes to the Financial Statements-Continued

December 31, 2010

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

8. Capital Assets

Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair value at the date of donation. The District maintains a threshold level of \$1,500 or more for capitalizing capital assets. Capital assets are recorded in the statement of net assets. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes, no salvage value is taken into consideration for depreciation purposes. All capital assets are depreciated using the straight-line method over the following useful lives:

	<u>Estimated Useful Lives</u>
Buildings	30 Years
Equipment	5-20 Years
Vehicles	10-20 Years

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

9. Equity Classification

In the government-wide statements, equity is classified as net assets and displayed in three components:

- a. Invested in capital assets, net of related debt – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net assets – All other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt”.

In the fund statements, governmental fund equity is classified as fund balance. Fund balance is further classified as reserved and unreserved, with unreserved further split between designated and undesignated.

10. Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

FIRE PROTECTION DISTRICT NO. 4 OF ALLEN PARISH

Notes to the Financial Statements-Continued

December 31, 2010

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

11. Long-Term Debt

All long-term debts to be repaid from governmental resources are reported as liabilities in the government-wide statements.

Long-term debts for governmental funds are not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payments of principal and interest are reported as expenditures.

12. Subsequent Events

Management has evaluated subsequent events through June 23, 2011, the date the financial statements were available to be issued.

NOTE B – CASH AND INTEREST-BEARING DEPOSITS

As of December 31, 2010, the District had cash and cash equivalents (book balances) totaling \$1,000,656. These deposits are stated at cost, which approximates market. Under state law, these deposits (or resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. At December 31, 2010 the District had \$1,001,010 in deposits (collected bank balances). Deposits of \$321,060 were secured from risk by federal deposit insurance and the remaining balance of those deposits, \$679,950, was secured by pledged securities.

NOTE C – AD VALOREM TAXES

For the year ended December 31, 2010, taxes of 18.22 mills were levied on property with taxable assessed valuations totaling \$20,619,140 and were dedicated as follows:

Maintenance millage expiring December 31, 2012	6.97 mills
Bond sinking millage expiring December 31, 2012	8.00 mills
Bond sinking millage expiring December 31, 2029	3.25 mills

Total taxes levied were \$375,680.

Property tax millage rates are adopted before December for the calendar year in which the taxes are levied and recorded. All taxes are due and collectible when the assessment rolls are filed on or before November 15th of the current year, and become delinquent after December 31st. Property taxes not paid by the end of February are subject to lien.

FIRE PROTECTION DISTRICT NO. 4 OF ALLEN PARISH

Notes to the Financial Statements-Continued

December 31, 2010

NOTE D – CAPITAL ASSETS

A summary of changes in capital assets follows:

	12/31/09 <u>Balance</u>	<u>Additions</u>	<u>Deletions</u>	12/31/10 <u>Balance</u>
Capital assets not being depreciated:				
Land	\$ 16,100	\$ -	\$ -	\$ 16,100
Other capital assets:				
Buildings	439,788	-	-	439,788
Equipment	438,643	30,463	-	469,106
Vehicles	<u>1,926,363</u>	<u>-</u>	<u>-</u>	<u>1,926,363</u>
Total	<u>2,820,894</u>	<u>30,463</u>	<u>-</u>	<u>2,851,357</u>
Less: accumulated depreciation:				
Buildings	227,481	14,659	-	242,140
Equipment	289,521	29,920	-	319,441
Vehicles	<u>694,613</u>	<u>135,463</u>	<u>-</u>	<u>830,076</u>
Total	<u>1,211,615</u>	<u>180,042</u>	<u>-</u>	<u>1,391,657</u>
Net capital assets	<u>\$1,609,279</u>	<u>\$ (149,579)</u>	<u>\$ -</u>	<u>\$1,459,700</u>

Depreciation expense in the amount of \$180,042 was charged to fire fighting and rescue in 2010.

NOTE E – GENERAL LONG-TERM DEBT

1. Debt Outstanding

Bonds payable at December 31, 2010 are comprised of the following issue:

\$ 865,000 general obligation bonds dated September 4, 2009, due in annual installments of \$65,783 through September 4, 2026; interest at 4.375% (this issue secured by levy and collection of ad valorem taxes) \$ 758,220

The following is a summary of the long-term debt transactions during the year:

Long-term debt payable at December 31, 2009	\$ 774,300
Additions (Issued for the purchase of fire-fighting equipment)	90,700
Deductions (Principal payment of \$35,316 and refund of \$71,464)	<u>(106,780)</u>
Long-term debt payable at December 31, 2010	\$ <u>758,220</u>

2. Debt Service Requirements to Maturity

The annual requirements to amortize the bond issue including interest payments of are as follows:

FIRE PROTECTION DISTRICT NO. 4 OF ALLEN PARISH

Notes to the Financial Statements-Continued

December 31, 2010

<u>Year Ending December 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011	\$ 32,611	\$ 33,172	\$ 65,783
2012	34,038	31,745	65,783
2013	35,527	30,256	65,783
2014	37,081	28,702	65,783
2015	38,704	27,079	65,783
2016 through 2020	220,449	108,466	328,915
2021 through 2025	273,080	55,835	328,915
2026	<u>86,730</u>	<u>3,794</u>	<u>90,524</u>
	<u>\$758,220</u>	<u>\$319,049</u>	<u>\$1,077,269</u>

NOTE F – RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the District. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

NOTE G – INVESTMENTS

GASB Statement 31 generally mandates that investments be reported in the financial statements at their fair value. For this purpose, the “the fair value” of investments is defined as follows:

Fair value is the amount at which an investment could be exchanged in a current transaction between willing parties, other than a forced or liquidation sale. If a quoted market price is available for an investment, the fair value to be used in applying this Statement is the total of the number of trading units of the instrument times the market price per unit.

The District’s investments as of December 31, 2010 consist of Certificates of Deposit whose face value approximates fair value.

Reported investment earnings for the year ended December 31, 2010 are as follows:

Interest	\$ 2,440
Unrealized Gain/Loss	<u>0</u>
	<u>\$ 2,440</u>

NOTE H – NEGATIVE FUND BALANCE

The District’s capital projects fund was being closed at the end of the fiscal year when an \$8 bank charge was assessed right at the end of the year. This generated a negative cash balance reported as accounts payable and a negative fund balance that was absorbed by the general fund after the end of the fiscal year.

REQUIRED SUPPLEMENTARY INFORMATION

FIRE PROTECTION DISTRICT NO. 4 OF ALLEN PARISH

Budgetary Comparison – General Fund

Year Ended December 31, 2010

	Budget Original/ <u>Final</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Ad valorem taxes, net	\$ 138,700	\$ 136,725	\$ (1,975)
Interest	4,500	1,933	(2,567)
Intergovernmental	5,500	39,486	33,986
Miscellaneous	-	<u>5,532</u>	<u>5,532</u>
TOTAL REVENUES	<u>148,700</u>	<u>183,676</u>	<u>34,976</u>
EXPENDITURES			
Current			
Advertising	200	250	(50)
Board compensation	3,000	1,650	1,350
Dues	300	307	(7)
Fuel	9,460	6,422	3,038
Insurance	82,000	36,892	45,108
Medical	6,300	-	6,300
Miscellaneous	2,040	2,018	22
Payroll taxes	2,700	348	2,352
Professional fees	4,000	7,981	(3,981)
Rent	150	-	150
Repairs and maintenance	19,800	19,190	610
Salaries	4,000	4,500	(500)
Secretary fees	900	900	-
Training	4,000	1,830	2,170
Travel	2,850	-	2,850
Utilities	7,000	7,871	(871)
Capital outlay	-	<u>20,294</u>	<u>(20,294)</u>
TOTAL EXPENDITURES	<u>148,700</u>	<u>110,453</u>	<u>38,247</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	73,223	73,223
OTHER FINANCING SOURCES (USES)			
Operating transfers	-	<u>27,368</u>	<u>27,368</u>
TOTAL OTHER FINANCING SOURCES(USES)	-	<u>27,368</u>	<u>27,368</u>
NET CHANGES IN FUND BALANCES	-	100,591	100,591
FUND BALANCE – BEGINNING	<u>876,753</u>	<u>876,753</u>	-
FUND BALANCE – ENDING	<u>\$876,753</u>	<u>\$977,344</u>	<u>\$100,591</u>

See independent accountants' review report.

FIRE PROTECTION DISTRICT NO. 4 OF ALLEN PARISH

Schedule of Compensation Paid to Board Members

Year Ended December 31, 2010

Orville Augustine, Secretary	\$1,260
Derrick LaFosse	330
Bruce Manuel	360
Jerome J. Manuel	240
Roger D. McGee, Jr.	<u>360</u>
Total Compensation Paid to Board Members	<u>\$2,550</u>

See independent accountants' review report.

ROYCE T. SCIMEMI, CPA, APAC



CERTIFIED PUBLIC ACCOUNTANT

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Oberlin, LA 70655

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Member
American Institute of
Certified Public Accountants

Member
Society of Louisiana
Certified Public Accountants

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

June 23, 2011

Board of Commissioners
Fire Protection District No. 4 of Allen Parish
Kinder, Louisiana

We have performed the procedures included in the *Louisiana Government Audit Guide* and enumerated below, which were agreed to by the management of Fire Protection District No. 4 of Allen Parish and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the District's compliance with certain laws and regulations during the year ended December 31, 2010 included in the accompanying *Louisiana Attestation Questionnaire*. Management of the District is responsible for its financial records and compliance with applicable laws and regulations. This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Public Bid Law

1. Select all expenditures made during the year for material and supplies exceeding \$20,000, or public works exceeding \$100,000, and determine whether such purchases were made in accordance with LSA-RS 38:2211-2296 (the public bid law) or LSA-R.S. 39:1551-39:1775 (the state procurement code), whichever is applicable.

We reviewed all disbursements made during 2010. There were no disbursements in excess of \$20,000 for materials and supplies made during the year ended December 31, 2010. There were no disbursements in excess of \$100,000 for public works made in 2010.

Code of Ethics for Public Officials and Public Employees

2. Obtain from management a list of the immediate family members of each board member as defined by LSA-RS 42:1101-1124 (the code of ethics), and a list of outside business interests of all board members and employees, as well as their immediate families.

Management provided us with the required list including the noted information.

3. Obtain from management a listing of all employees paid during the period under examination.

Management provided us with the required list including the noted information.

4. Determine whether any of those employees included in the listing obtained from management in agreed-upon procedure (3) were also included on the listing obtained from management in agreed-upon procedure (2) as immediate family members.

None of the employees included on the list of employees provided by management [agreed-upon procedure (3)] appeared on the list provided by management in agreed-upon procedure (2) as immediate family members.

Budgeting

5. Obtain a copy of the legally adopted budget and all amendments.

Management provided us with a copy of the original budget. There were no budget amendments during the year.

6. Trace the budget adoption and amendments to the minute book.

We traced the adoption of the original budget to the minutes of a meeting held on November 18, 2009, which indicated that the commissioners had adopted the budget unanimously. The budget was not amended.

7. Compare the revenues and expenditures of the final budget to actual revenues and expenditures to determine if actual revenues failed to meet budgeted revenues by 5% or more or if actual expenditures exceed budgeted expenditures by 5% or more. (For agencies that must comply with the Licensing Agency Budget Act only, compare the expenditures of the final budget to actual expenditures to determine if actual expenditures exceed budgeted amounts by 10% or more per category or 5% or more in total).

We compared the revenues and expenditures of the final budget to actual revenues and expenditures. Budgeted revenues did not exceed actual revenues by 5% or more. Actual expenditures did not exceed budgeted expenditures by 5% or more.

Accounting and Reporting

8. Randomly select six disbursements made during the period under examination and:

- a. trace payments to supporting documentation as to proper amount and payee;

We examined supporting documentation for each of the six selected disbursements and found that payment was for the proper amount and made to the correct payee.

- b. determine if payments were properly coded to the correct fund and general ledger account; and

The payments were properly coded to the correct fund and general ledger account.

- c. determine whether payments received approval from proper authorities.

The payments received proper approvals.

Meetings

9. Examine evidence indicating that agendas for meetings recorded in the minute book were posted or advertised as required by LSA-RS 42:1 through 42:13 (the open meetings law).

The District is only required to post a notice of each meeting and the accompanying agenda at the building where the meeting is to be held with such posting to be at least 24 hours in advance of the meeting. We found no evidence of noncompliance.

Debt

10. Examine bank deposits for the period under examination and determine whether any such deposits appear to be proceeds of bank loans, bonds, or like indebtedness.

We examined all bank deposits recorded in the District's records for the period under examination and determined that \$90,700 in deposits were proceeds of bank loans, bonds, or like indebtedness.

Advances and Bonuses

11. Examine payroll records and minutes for the year to determine whether any payments have been made to employees, which may constitute bonuses, advances, or gifts.

Our review of the District's records and minutes indicated no discussion or authorization for any payments that would constitute bonuses, advances or gifts. Our review of the District's payroll records for the year did not reveal any instances which would indicate payments that would constitute bonuses, advances, or gifts.

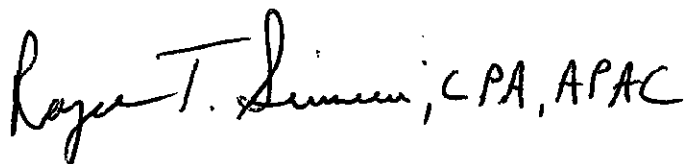
Prior Comments and Recommendations

Our prior year report, dated June 24, 2010, did not include any comments or unresolved matters.

We were not engaged to perform, and did not perform, an audit, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of Fire Protection District No. 4 of Allen Parish and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statutes 24:513, this report is distributed by the Legislative Auditor as a public document.

Royce T. Scimemi, CPA, APAC



ALLEN PARISH FIRE PROTECTION DISTRICT NO. 4
Kinder, Allen Parish, Louisiana

LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Government)

5-26, 2011
(Date Transmitted)

Royce T. Scimemi, CPA, APAC
Attn: Mr. Royce T. Scimemi
Post Office Box 210
Oberlin, LA 70655

In connection with your review of our financial statements as of December 31, 2010 and for the year then ended, and as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulations and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of 5-26, 2011 (the date of completion/date of representations).

Public Bid Law

It is true that we have complied with the public bid law, R.S. Title 38:2211-2296, and, where applicable, the regulations of the Division of Administration and State Purchasing Office.

Yes [☒] No []

Code of Ethics for Public Officials and Public Employees

It is true that no employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone that would constitute a violation of R.S. 42:1101-1124.

Yes [☒] No []

It is true that no member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1980, under circumstances that would constitute a violation of R.S. 42:1119.

Yes [☒] No []

Budgeting

We have complied with the state budgeting requirements of the Local Government Budget Act (R.S. 39:1301-16), R.S. 39:33, or the budget requirements of R.S. 39:1331-1342, as applicable.

Yes [☒] No []

Accounting and Reporting

All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by R.S. 44:1, 44:7, 44:31, and 44:36.

Yes [☒] No []

We have filed our annual financial statements in accordance with R.S. 24:514 and 33:463, where applicable.

Yes [☒] No []

We have had our financial statements reviewed in accordance with R.S. 24:513.

Yes [☒] No []

Meetings

We have complied with the provisions of the Open Meetings Law, provided in R.S. 42:1 through 42:13.

Yes [☒] No []

Debt

It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and R.S. 39:1410.60-1410.65.

Yes [☒] No []

Advances and Bonuses

It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, R.S. 14:138, and AG opinion 79-729.

Yes [☒] No []

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the foregoing laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We acknowledge our responsibility to disclose to you any known noncompliance that may occur subsequent to the issuance of your report.

<u>JO Augustine</u>	Secretary	<u>5-26-11</u>	Date
<u>JO Augustine</u>	Treasurer	<u>5-26-11</u>	Date
<u>Bruce Manuel</u>	President	<u>5-26-11</u>	Date

Fire Protection District No. 4 of Allen Parish

Schedule of Findings and Questioned Costs

Year Ended December 31, 2010

1. Summary of Accountants' Results:

- a) Accountants issued a review report on the financial statements.
- b) The attestation procedures yielded no evidence of noncompliance.

2. Findings Related to the Financial Statements Which Are Required to be Reported in Accordance with Generally Accepted Governmental Auditing Standards:

Current Year:

Findings – Financial Statement Audit

Finding #2010-1 I/C:

Significant deficiency

Inadequate Segregation of Duties

Because of the lack of a large staff, more specifically accounting personnel, there is insufficient segregation of duties necessary for proper controls. We do note that this situation is inherent in most entities of this type and is difficult to resolve due to the funding limitations of the District. We recommend that the board continue to take an active interest in the review of all of the financial information. This was also a prior year finding.

3. Findings and Questioned Costs for Federal Awards:

N/A